

**Supplemental Reporting Document
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December 2010 Investment Committee Meeting
(October 2010 Reporting Period)**

Chief Investment Officer's/Chief Operating Investment Officer's Report

Asset Allocation

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Disclosure of Closed Session Action Items (No items to report)

TARGET PERCENTAGE COMPARISON

ASSET ALLOCATION ¹

As of October 31, 2010

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Target²</u> (%)	<u>Target Range²</u>	<u>Difference (B-C)</u> (%)
Domestic Equity ³	23.8	24.5		-0.7
International Equity	<u>28.6</u>	<u>24.5</u>		<u>4.1</u>
Global Equity	52.4	49.0	44-54%	3.4
Domestic Fixed Income	21.0	18.0		3.0
International Fixed Income	<u>1.6</u>	<u>2.0</u>		<u>-0.4</u>
Global Fixed Income	22.6	20.0	15-25%	2.6
AIM	14.0	14.0	9-19%	0.0
Real Estate	7.0	10.0	5-15%	-3.0
Inflation Linked	3.0	5.0	2-5%	-2.0
Cash Equivalents	1.0	2.0	0-5%	-1.0
Total Fund	<u><u>100.0</u></u>	<u><u>100.0</u></u>		

¹ As allocated to managers.

² Asset Allocation Targets approved by Investment Committee in June 2009.

³ Included is MDP Investment: LM Capital Investment: Total Market Value = **\$251.2 million**

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
When summing net amounts on this report, there may be breakage.

TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of October 31, 2010

(A) <u>Asset Class</u>	(B) <u>Actual Allocation</u> (\$ Billion)	(C) <u>Target¹</u> (\$ Billion)	(D) <u>Difference (B-C)</u> (\$ Billion)
Domestic Equity ²	52.1	53.6	-1.5
International Equity	<u>62.5</u>	<u>53.6</u>	<u>8.9</u>
Global Equity	114.6	107.2	7.4
Domestic Fixed Income	46.0	39.4	6.6
International Fixed Income	<u>3.5</u>	<u>4.4</u>	<u>-0.9</u>
Global Fixed Income	49.5	43.8	5.7
AIM	30.6	30.6	0.0
Real Estate	15.4	21.9	-6.5
Inflation Linked	6.5	10.9	-4.4
Cash Equivalents	2.1	4.4	-2.2
Total Fund	<u><u>218.8</u></u>	<u><u>218.8</u></u>	

¹ Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee June 2009

² Included is MDP Investment: LM Capital Investment: Total Market Value = **\$251.2 million**

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MONTHLY PROGRESS REPORT
ASSET ALLOCATION ¹
As of October 31, 2010

(A)	(B)	(C)	(D)	(E)
	9/30/2010	10/31/2010		
	Actual	Actual	Difference	
<u>Asset Class</u>	<u>Allocation</u>	<u>Allocation</u>	<u>(C-B)</u>	<u>Target²</u>
	(\$ Billion)	(\$ Billion)	(\$ Billion)	(\$ Billion)
Domestic Equity ³	50.3	52.1	1.8	53.6
International Equity	<u>60.4</u>	<u>62.5</u>	<u>2.1</u>	<u>53.6</u>
Global Equity	110.7	114.6	3.9	107.2
Domestic Fixed Income	46.1	46.0	-0.1	39.4
International Fixed Income	<u>3.4</u>	<u>3.5</u>	<u>0.1</u>	<u>4.4</u>
Global Fixed	49.5	49.5	0.0	43.8
AIM	29.9	30.6	0.7	30.6
Real Estate	15.3	15.4	0.0	21.9
Inflation Linked	6.5	6.5	0.1	10.9
Cash Equivalents	2.8	2.1	-0.6	4.4
Total Fund	<u>214.6</u>	<u>218.8</u>	<u>4.1</u>	<u>218.8</u>

¹ Monthly progress report toward policy targets.

² Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee June 2009

³ Included is MDP Investment: LM Capital Investment: Total Market Value = **\$251.2 million**

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BOOK VS MARKET VALUE

As of October 31, 2010

(A)	(B)	(C)	(D)
<u>Asset Class</u>	<u>Book Value</u> ²	<u>Market Value</u> ³	Difference
	(\$ Billion)	(\$ Billion)	(C - B)
			(\$ Billion)
Domestic Equity ¹	38.2	52.1	13.9
International Equity	<u>57.5</u>	<u>62.5</u>	<u>5.0</u>
Global Equity	95.6	114.6	19.0
Domestic Fixed Income	34.6	46.0	11.4
International Fixed Income	<u>3.1</u>	<u>3.5</u>	<u>0.4</u>
Global Fixed Income	37.8	49.5	11.7
AIM	32.8	30.6	-2.2
Real Estate	22.7	15.4	-7.3
Inflation Linked	6.3	6.5	0.3
Cash Equivalents ⁴	<u>2.7</u>	<u>2.1</u>	<u>-0.5</u>
Total Fund	<u><u>197.9</u></u>	<u><u>218.8</u></u>	<u><u>20.9</u></u>

¹ Included is MDP Investment- LM Capital Investment: Total Book Value= **\$236.8 million**, Total Market Value=**\$251.2 million**.

² Total value of assets at cost minus liabilities.

³ Total value of assets at market.

⁴ Currency Overlay Funds are included in Cash value.

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GROSS PERFORMANCE VS EXPECTED RETURNS

One Year

November 1, 2009 to October 31, 2010

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Asset Return</u> (%)	<u>CalPERS Long-Term Expected Annual Return</u> ¹ (%)	<u>Expected Standard Deviation</u> ¹ (%)	<u>One Standard Deviation Range</u> (%)
Domestic Equity	23.8	18.1	7.00	15.50	-8.50 - 22.50
International Equity	<u>28.6</u>	14.6	7.00	17.50	-10.50 - 24.50
Global Equity	52.4	15.9			
Domestic Fixed Income	21.0	14.7			
International Fixed Income	<u>1.6</u>	10.5			
Global Fixed Income	22.6	14.1	3.00	6.50	-3.50 - 9.50
AIM	14.0	25.9	10.00	25.00	-15.00 - 35.00
Real Estate	7.0	-9.5	6.00	17.00	-11.00 - 23.00
Inflation Linked	3.0	6.4	4.00	5.75	-1.75 - 9.75
Cash Equivalents	<u>1.0</u>	<u>0.3</u>	<u>1.25</u>	<u>1.50</u>	<u>-0.25 - 2.75</u>
Total Fund	<u>100.0</u>	<u>13.6</u>	<u>8.46</u>	<u>11.40</u>	<u>-2.94 - 19.86</u>

¹ Investment Committee Meeting December 2007

Note: Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income

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NET PERFORMANCE VS EXPECTED RETURNS

One Year

November 1, 2009 to October 31, 2010

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Actual Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return ¹</u>	<u>Expected Standard Deviation</u>	<u>One Standard Deviation Range</u>
	(%)	(%)	(%)	(%)	(%)
Domestic Equity	23.8	18.1	7.00	15.50	-8.50 - 22.50
International Equity	<u>28.6</u>	14.5	7.00	17.50	-10.50 - 24.50
Global Equity	52.4	15.9			
Domestic Fixed Income	21.0	14.7			
International Fixed Income	<u>1.6</u>	10.4			
Global Fixed Income	22.6	14.1	3.00	6.50	-3.50 - 9.50
AIM	14.0	25.9	10.00	25.00	-15.00 - 35.00
Real Estate	7.0	-10.5	6.00	17.00	-11.00 - 23.00
Inflation Linked	3.0	5.9	4.00	5.75	-1.75 - 9.75
Cash Equivalents	1.0	0.3	1.25	1.50	-0.25 - 2.75
Total Fund	<u>100.0</u>	<u>13.5</u>	<u>8.46</u>	<u>11.40</u>	<u>-2.94 - 19.86</u>

¹ Investment Committee Meeting December 2007

Note: Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

When summing net amounts on this report, there may be breakage.

GROSS RETURNS

One Year

November 1, 2009 to October 31, 2010

	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
Domestic Equity	18.11%	0.05%	18.06%
International Equity	14.59%	0.05%	14.54%
Global Equity	15.90%	0.05%	15.85%
Domestic Fixed Income	14.66%	0.00%	14.66%
International Fixed Income	10.51%	0.10%	10.41%
Global Fixed Income	14.09%	0.01%	14.08%
AIM	25.90%	0.01%	25.89%
Real Estate	-9.51%	0.98%	-10.49%
Inflation Linked	6.41%	0.50%	5.91%
Cash Equivalents	0.28%	0.00%	0.28%
Total Fund	13.64%	0.13%	13.51%

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending October 31, 2010

CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	22.6	49,547,706	3.64	7.86	14.61	18.11	-5.59	2.33	0.92
<i>CALPERS CUSTOM FTSE TMI (BLENDED)</i>			3.93	8.30	15.82	18.22	-6.00	2.18	0.56
TOTAL INTL EQUITY	28.6	62,470,684	3.47	10.81	20.58	14.59	-7.66	5.67	5.18
<i>CALPERS FTSE ALL-WORLD EX US</i>			3.34	10.67	20.78	13.08	-7.35	6.26	5.30
TOTAL GLOBAL EQUITY EQUITIZATION	1.2	2,555,418	3.54	9.20	18.26	11.84			
TOTAL GLOBAL EQUITY	52.4	114,573,809	3.54	9.48	17.93	15.90	-6.41	3.47	2.33
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			3.49	9.42	18.00	15.20	-5.98	3.86	2.31
TOTAL DOMESTIC FIXED INCOME	20.5	44,817,307	0.13	3.03	4.70	14.66	9.48	8.15	8.12
<i>CALPERS CUSTOM BC LPF (DAILY)</i>			0.03	2.84	4.14	11.49	8.90	7.44	7.55
TOTAL INTL FIXED INCOME	1.6	3,479,970	1.99	8.27	13.28	10.51	9.98	9.00	9.06
<i>CALPERS WORLD GOVT X US</i>			1.98	7.45	12.53	7.15	8.38	8.19	8.45
TOTAL GLOBAL FIXED INCOME	22.1	48,297,278	0.26	3.39	5.26	14.09	9.50	8.22	8.27
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			0.19	3.21	4.80	11.16	8.88	7.56	7.68
TOTAL AIM COMPOSITE	14.0	30,619,987	2.39	2.88	3.57	25.90	-0.11	8.68	4.81
<i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>			7.19	-6.32	-4.13	18.30	8.56	12.21	4.18
<i>WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR</i>			7.19	-6.32	-4.13	18.30	-3.46	3.18	2.82
TOTAL REAL ESTATE	7.0	15,387,651	0.31	-0.97	-0.35	-9.51	-25.73	-8.53	4.32
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			0.57	4.68	5.84	2.87	-2.17	5.43	8.00
TOTAL INFLATION LINKED	3.0	6,547,236	1.19	3.07	5.13	6.41	-0.52		
<i>CPI+400 BPS 1 MONTH LAGGED</i>			0.39	1.20	1.44	5.19	5.63		
TOTAL CASH EQUIVALENTS	1.2	2,660,892	0.03	0.09	0.11	0.28	1.44	2.92	2.82
<i>PERS CUSTOM STIF NET OF FEES</i>			0.02	0.08	0.10	0.24	1.36	2.85	2.62
CURRENCY + ASSET ALLOC TRANSITION	0.3	679,204							
TOTAL FUND	100.0	218,766,056	2.18	5.79	10.28	13.64	-4.58	3.45	3.95
<i>CALPERS POLICY INDEX</i>			2.96	5.39	10.44	14.09	0.01	6.05	4.83
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			2.90	4.96	9.86	13.10	-1.82	5.08	4.45

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)

Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending October 31, 2010

CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	22.6	49,547,706	3.64	7.85	14.60	18.06	-5.64	2.27	0.87
<i>CALPERS CUSTOM FTSE TMI (BLENDED)</i>			3.93	8.30	15.82	18.22	-6.00	2.18	0.56
TOTAL INTL EQUITY	28.6	62,470,684	3.46	10.79	20.56	14.54	-7.71	5.61	5.12
<i>CALPERS FTSE ALL-WORLD EX US</i>			3.34	10.67	20.78	13.08	-7.35	6.26	5.30
TOTAL GLOBAL EQUITY EQUITIZATION	1.2	2,555,418	3.54	9.20	18.26	11.84			
TOTAL GLOBAL EQUITY	52.4	114,573,809	3.53	9.46	17.91	15.85	-6.46	3.41	2.28
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			3.49	9.42	18.00	15.20	-5.98	3.86	2.31
TOTAL DOMESTIC FIXED INCOME	20.5	44,817,307	0.13	3.03	4.70	14.66	9.48	8.15	8.11
<i>CALPERS CUSTOM BC LPF (DAILY)</i>			0.03	2.84	4.14	11.49	8.90	7.44	7.55
TOTAL INTL FIXED INCOME	1.6	3,479,970	1.99	8.24	13.24	10.41	9.87	8.90	8.97
<i>CALPERS WORLD GOVT X US</i>			1.98	7.45	12.53	7.15	8.38	8.19	8.45
TOTAL GLOBAL FIXED INCOME	22.1	48,297,278	0.26	3.38	5.26	14.08	9.49	8.21	8.26
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			0.19	3.21	4.80	11.16	8.88	7.56	7.68
TOTAL AIM COMPOSITE	14.0	30,619,987	2.38	2.88	3.57	25.89	-0.12	8.67	4.80
<i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>			7.19	-6.32	-4.13	18.30	8.56	12.21	4.18
<i>WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR</i>			7.19	-6.32	-4.13	18.30	-3.46	3.18	2.82
TOTAL REAL ESTATE	7.0	15,387,651	0.31	-1.29	-0.68	-10.49	-26.88	-10.58	1.83
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			0.57	4.68	5.84	2.87	-2.17	5.43	8.00
TOTAL INFLATION LINKED	3.0	6,547,236	1.19	3.00	5.06	5.91	-0.91		
<i>CPI+400 BPS 1 MONTH LAGGED</i>			0.39	1.20	1.44	5.19	5.63		
TOTAL CASH EQUIVALENTS	1.2	2,660,892	0.03	0.09	0.11	0.28	1.44	2.92	2.82
<i>PERS CUSTOM STIF NET OF FEES</i>			0.02	0.08	0.10	0.24	1.36	2.85	2.62
CURRENCY + ASSET ALLOC TRANSITION	0.3	679,204							
TOTAL FUND	100.0	218,766,056	2.17	5.75	10.24	13.51	-4.75	3.24	3.73
<i>CALPERS POLICY INDEX</i>			2.96	5.39	10.44	14.09	0.01	6.05	4.83
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			2.90	4.96	9.86	13.10	-1.82	5.08	4.45

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)

Cash and Currency (SJVKA1, SX1LA1); Total Fund (SJ1CA1)

CALPERS INVESTMENTS IN CALIFORNIA as of October 31, 2010

(A)	(B)	(C)	(D)	(E)	(F)
		California Investments plus Additional Commitments ¹		CA Investment as % of Asset Class (D/B)	
<u>Asset Class</u>	<u>Portfolio Value (\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	<u>Program Description or Assumption</u>
EQUITY					
Domestic Equity	52,103.1	6,762.0	6,762.0	13	CA investment is approximately 12%
International Equity	<u>62,479.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Equity	114,582.2	6,762.0	6,762.0	6 %	
FIXED INCOME					
Domestic Fixed Income	46,000.3	6,337.6	6,337.6	14	
International Fixed Income	<u>3,480.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Fixed Income	49,480.2	6,337.6	6,337.6	13 %	
AIM					
AIM	30,620.0	5,378.4	3,385.0	11 %	
REAL ESTATE					
Real Estate	15,387.7	3,507.1	3,213.6	21 %	Outstanding commitments (column C-column D/column B): 1.9%
INFLATION LINKED					
Inflation Linked	6,547.2	80.3	80.3	0 %	
CASH / CASH EQUIVALENTS					
Cash / Cash Equivalents	2,148.8	0.0	0.0	0 %	
TOTAL FUND	<u>218,766.1</u>	<u>22,065.4</u>	<u>19,778.5</u>	<u>9 %</u>	Outstanding commitments (column C/column B): 10.1%

¹ Total actual investments at market value and outstanding program commitments in California

Note: Due to reporting constraints, the California Investments in Real Estate are as of August 31, 2010.

Due to reporting constraints, the California Investments in Inflation Linked Assets are as of September 30, 2010.

AIM company investments are as of June 30, 2010 and commitments to partnerships focused on California are as of October 31, 2010

When summing net amounts on this report, there may be breakage.